

# **EXHIBIT C**

**[REDACTED]**

# EXHIBIT 24

[FILED UNDER SEAL]

# EC Update - Customer Advocacy

John Grieci

- RQC outlook and FY13 proposal
- Stop Ships, Quality & Customer Issues
  - Functional Excellence
  - Asia Supplier Engineering
- Functional Update - Strategic Goal project



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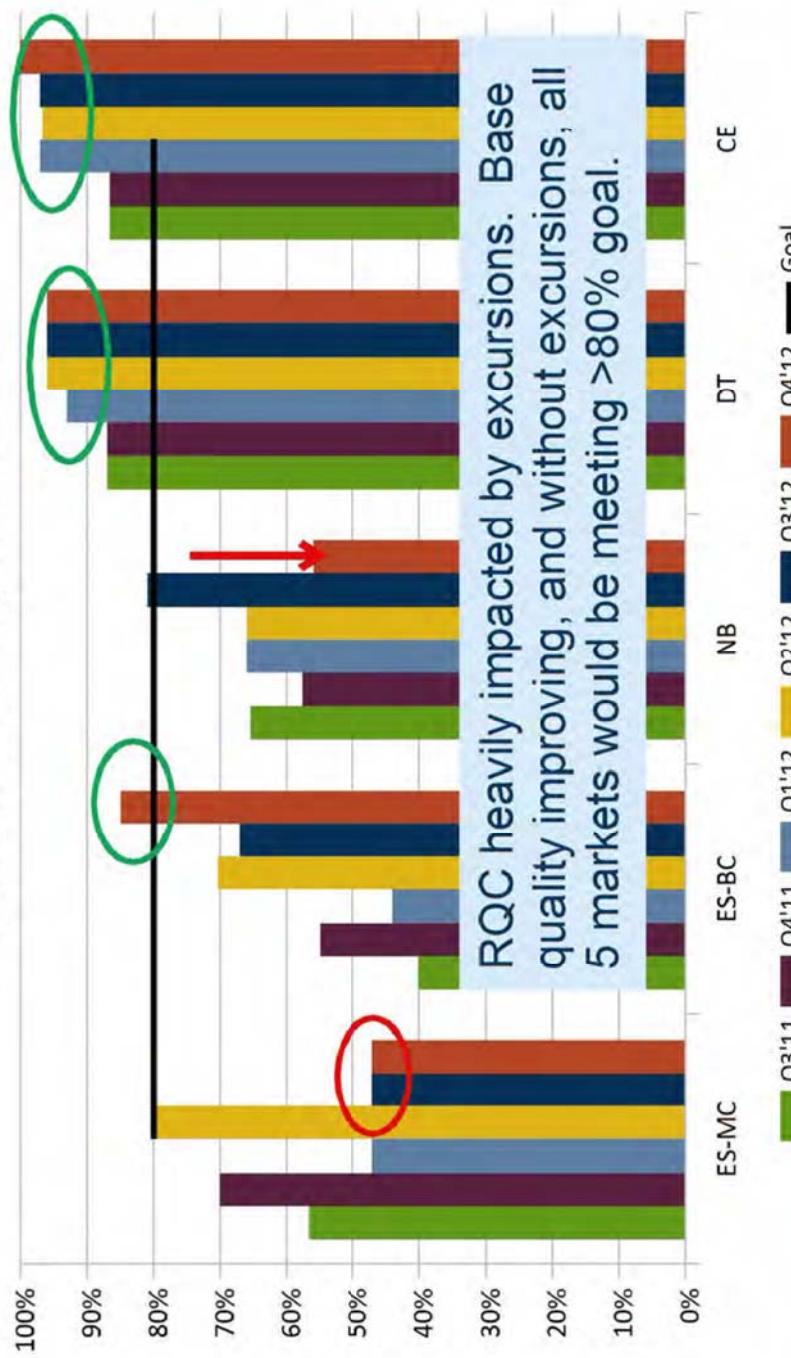
# Customer Advocacy Highlights

- RQC Mid-qtr outlook: 3 out of 5 markets are green (DT, CE and BC)
- Quality excursions continue to impact our customers and RQC
  - ES-MC: Compass – supplier issue/design sensitivity (FIPG material)
  - NB: Sapta / Julius – design issue stack up tolerance issue, capacitor and base deck short, base deck change process issue
- 8D deployment is starting to gain momentum and take hold
  - Oversight Boards have been trained and established at every site
  - First executive review of key metrics and results scheduled for July
  - External supplier training in process
- Supplier Quality Improvement:
  - Organization change – Asia Supplier Quality Engineering team part of CA
  - Next phase of supplier improvement plan under development
- Quality lot buy-off process being considered
  - To protect Enterprise customers, may quarantine finished goods pending achievement of 3 week ORT checkpoint

# RQC BiC Q3 FY'11 – Q4 FY'12

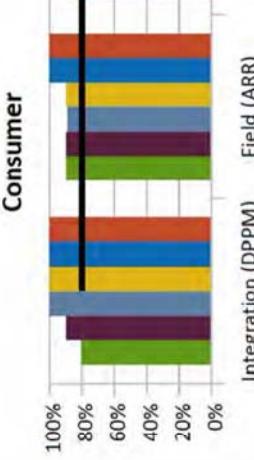
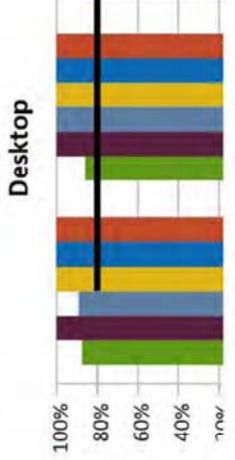
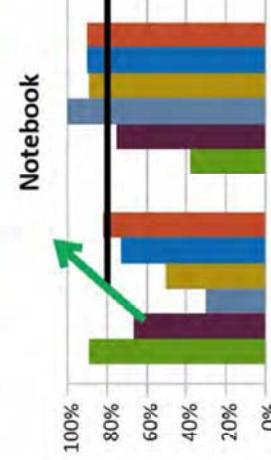
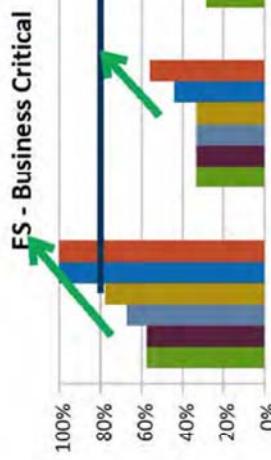
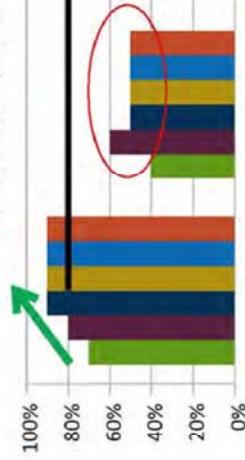
**Q4 FY12 mid-qtr outlook:**  
**3 out of 5 market composite scores met or exceeded the 80% goal.**

## RQC BiC FY12- By Market



RQC heavily impacted by excursions. Base quality improving, and without excursions, all 5 markets would be meeting >80% goal.

**Observations:** As disruptive as the excursions have been the past 2 to 3 quarters, the integration performance has steadily improved in all markets, a good indication that we're catching the issues before they have a big impact on our integration results. Field performance in DT, CE, and NB is good. BC field ranking is starting to slowly improve. The next few quarters will demonstrate the effectiveness of the systemic process improvements being driven and how well they minimize excursions, and catch them far enough upstream to protect our customers from excursions.



## Summary by market:

- Mission Critical – 47% composite performance, driven by Compass excursion:
  - The top cover gasket outgassing issue impacted every customer – this is an extension of the top cover outgassing issue from Q3 which did not get to root cause in Q3, and was later discovered to not be limited to one top cover supplier when the root cause was found to be primarily with the FIPG material. Therefore, we are impacted in RQC two quarters in a row for this issue
  - Business Critical – Projecting 85, Final impact TBD
  - Notebook – Dropped to 56% composite performance
    - Driven primarily by Sapta 15 / Julius capacitor shorting issue
  - Desktop – 96% performance overall, with 100% in integration and field
    - [REDACTED]
    - Concerned about Pharaoh to Grenada transition
  - Consumer – 100% performance!

# RQC BiC: FY13 proposed changes

Keep all three measures in RQC; field (ARR), integration (DPPM), and Excursions, with a target of  $\geq 80\%$  for each market segment

- **New for FY13:** Retail market to be added and tracked at corporate level, however, recommend that it not be counted in the bonus compensation calculation for FY13.
- **New for FY13:** Count minor excursions half of major excursions
- **New for FY13: Redefine Best in Class definition to be the same for all 5 markets**
  - Best in Class = ranked #1 vs competition
    - If Seagate is #2, but meeting customer goal, count as green
    - On an exception basis, situations where Seagate is #2 or #3, and all three competitors are meeting customer goal and within 5% performance of each other, Quality Council will review and make a decision whether to count as green
  - Continue to reflect the corporate level composite as the number of market segments meeting goal of  $\geq 80\%$  ( $x/5$ ); not an average of all segments and customers
  - Bonus calculation will again be tied to the number of markets (5) meeting the  $\geq 80\%$  goal

We believe these changes will address the following concerns / learning from FY12:

1. There have been concerns about counting major and minor equally vs the desire to drive the right behaviors around catching issues earlier rather than later.
2. There have been concerns about having different criteria for BiC for NB and DT. By driving everyone to achieve #1, but giving credit for meeting customer goal and/or being within 5% of the competition measures all markets against the same standard. The revised rules gives us credit when competitive performance is so close that penalizing ourselves, for example for a 20 DPPM delta, is counter to the intent of the metric.

# RQC Retail Proposal for FY13

- Add Retail as the 6<sup>th</sup> market, however, exclude from bonus payout calculation for FY13
- Measure three elements:
  - Contacts to Sales Ratio (measure of calls to tech support vs volume of product)
  - Star ratings vs competition (Amazon, Best Buy, NewEgg, Walmart, Costco, Fry's)
    - Excursions
  - Track two additional items: JDM HDD Integration performance, and Retail field return rates (based on ARR)
- Track this metric based on list of retail products (vs list of OEM customers that is done for the other 5 markets)
- Target is to be best in class on ≥80% of our products, based on a composite measure of the three elements

# Q4 Excursions Summary

Product / Issue	Primary Root Cause (D4)	Preventive Actions (D7)
Compass - FIPG Gasket	Supplier issue – formulation Design sensitivity – issue not seen on other products using the same FIPG material	<ul style="list-style-type: none"> <li>Supplier controls – resource such that critical components / suppliers have more direct oversight, improved specifications and component level tests to allow triggering upstream</li> <li>Design sensitivity - Ensure drive robustness against particulate / outgassing by implementing airflow analysis on ALL designs going forward</li> </ul>
Grenada – DSP (disc separator plate)	Design – stack-up of dimensional tolerances between “pad C pin and cast floor of basedeck” results in interference	<ul style="list-style-type: none"> <li>Grenada changing to new DSP part number which has Pad C pin removed (pin not critical, and not on Lombard)</li> <li>Design review of dimensional tolerance stack ups</li> </ul>
Sapta / Julius - capacitor and base deck short	Design issue stack up tolerance issue, base deck change process issue.	<ul style="list-style-type: none"> <li>Design review of dimensional tolerance stack ups</li> <li>Require FMEA during design change</li> </ul>
Julius – [REDACTED]	Performance slow down after leaving system idle for extended hours... head skew learning after idle wake up results in performance slowdown	<ul style="list-style-type: none"> <li>TBD / In process</li> </ul>
Desaru – [REDACTED]	Drives undergoing FA 50% analyzed to be Offset Write issue	<ul style="list-style-type: none"> <li>Containment: servo code workaround</li> <li>Preventive: reviewing code qualification process and code logic flow mapping</li> </ul>

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# Compass – FIPG gasket outgassing issue – D7 Preventive Actions identified to-date:

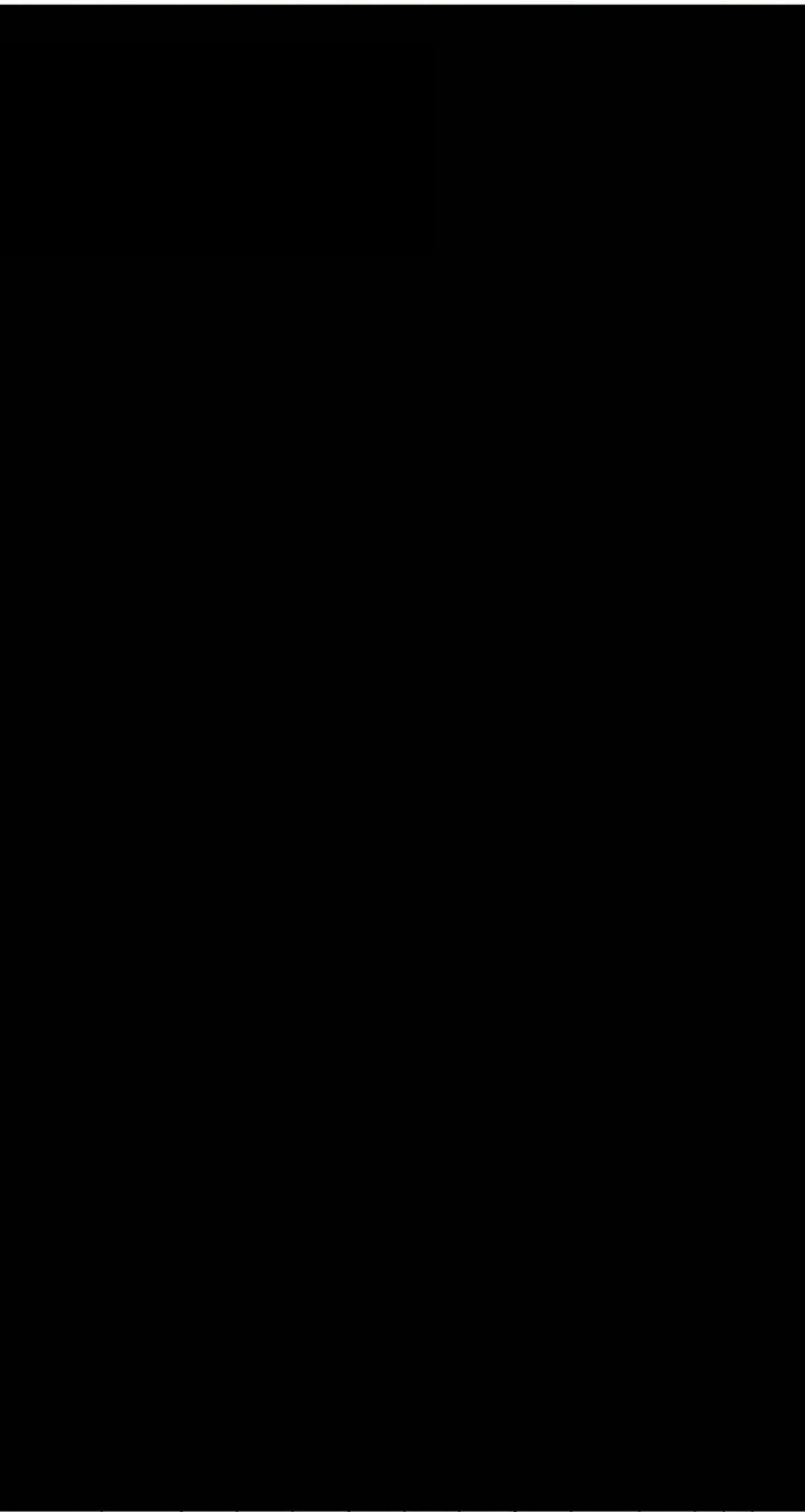
- Supplier controls – resource such that critical components / suppliers have more direct oversight, improved specifications and component level tests to allow triggering upstream
- Complete review of ALL outgassing components for the above elements
- Lot buy off – Hold inventory prior to ORT 3 week checkpoint
- Ensure drive robustness against particulate / outgassing by implementing airflow analysis on ALL designs going forward

- ACTION: Perform detailed post mortem and full retrospective on this issue with 8D's for each element of the issue to drive true preventative actions

# Compass Top Cover Customer Status

Compass FIPG Customer Status on 'Yellow' and TX09 Approval



# Functional Excellence – Q4 Actions Update

- Complete RHO Organizational Profile
  - Complete
- Complete RMO Organizational Profile
  - 90% done, completed by Early June
- Review plans with HP & Dell
  - HP meeting on 6/25, Dell postponed due to customer availability
- Define internal assessment transition plan
  - Add Functional Excellence to QSR/ISO Compliance, Moved from May to June
- Complete RASCI's for key cross functional processes in R & D, Operations and Customer Advocacy
  - Reviewed key processes in May Strategy meeting, work continues
- Begin Self Assessments at RHO & RMO
  - Started at RMO in 5/25 leadership session and on track at RHO for June start
- Evaluate Key Processes and Results with Functional Excellence criteria in Customer Advocacy & Early Adopter Organizations
  - Started, work continues
- Train 5-10 US QSR leads in Baldrige Criteria in June
  - 4 RHO and 6 RMO employees registered for 6/19 training

# Journey to Functional Excellence

“Taking our Quality Management and Assessment systems to the next level”



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# FY13 Quality Improvement Roadmap

Focus Areas	Potential or Ongoing Projects		Customer Project Definition and Chartering In Progress
Alignment of Product Designs to Customer Requirements	<ul style="list-style-type: none"> <li>• Strategic Priority #7 Quality &amp; Reliability</li> <li>• Field Telemetry</li> <li>• Workload Specification</li> <li>• Enterprise Product Service Life Reliability &amp; MTBF</li> <li>• Design Margin Requirements Management Improvement (cont.)</li> </ul>	<ul style="list-style-type: none"> <li>• Slider to HGSA Quality Improvement</li> <li>• Supplier Quality Improvement (cont.)</li> <li>• Failure Analysis Capability Improvement (cont.)</li> </ul>	
Product Quality and Reliability		<ul style="list-style-type: none"> <li>• Functional Excellence</li> <li>• End-to-End Analytics</li> <li>• Cost of Poor Quality</li> </ul>	
Quality Improvement Systems			

## CAPA 8D status



- Site oversight boards trained and in place
  - Provide support to teams as they are working issues through the 8D process
  - Request Incident Maps and Is / Is Not analyses
  - Help teams identify good preventive actions, and get their support to implement these cross functionally
  - Metrics identified and starting to be tracked
  - First executive reviews set for July 17 (US/ EMEA) and July 18 (Asia)
  - Recognize and highlight the model 8D's
  - No excuses about using WebFACTS – CAPA system

# Asia Supplier Quality Engineering

Next Steps	
Organization	<ul style="list-style-type: none"> <li>• Complete org structure</li> <li>• Resource plans</li> <li>• High level description of each function's responsibilities</li> <li>• Define Vision, Mission, Values and working philosophy</li> <li>• Communicate through All Hands meeting in Asia – June / July</li> </ul>
Focus supplier plans	<ul style="list-style-type: none"> <li>• Publish list of top 20 critical suppliers and accountable Seagate personnel for each supplier / location</li> <li>• Publish detailed quality plans for each single sourced supplier</li> <li>• Published detailed quality plan for each trouble supplier</li> <li>• Publish weekly outgoing and incoming quality for the top 20 suppliers</li> </ul>
General Supplier plans	<ul style="list-style-type: none"> <li>• Publish control plans for key mechanical and electrical suppliers           <ul style="list-style-type: none"> <li>• Include supplier testing to monitor key parameters at the supplier to allow us to trigger an excursion in the supply base</li> <li>• Focus on outgassing and key mechanical suppliers first</li> <li>• Work with DE to help identify these critical to quality elements</li> </ul> </li> <li>• Establish monthly DE interlock meeting</li> <li>• Publish "Maverick Lot" program plan</li> </ul>

# Strategic Priority #7 Quality and Reliability

May 30, 2012  
Sai



# Objectives and Goals

1. **High level Objective:**
  - a. Achieve excellence in quality and reliability that is recognized by our customers and internal stakeholders as **best in class**
2. **Key FY13 Initiative goal:**
  - b. Avoid supply disruptions to our customers due to quality and reliability
  - c. Trigger upstream and stop flow of affected components & processes
  - d. Define, measure and launch new products with improved design margin
3. **FY13 IMAP goal for all STX employees:**
  - e. Identify your top two customers (internal or external). Identify one gap in the quality of service/product you provide to each of the two customers. Develop individual 8Ds (root cause, corrective and preventative actions) and present to your customer.

# Strategy

- FMEA & Failure Mode RMaps
- Subsystem/Reliability Modeling
- Functional Checklists
- Design Margin & Life Tests
- FOF & Cert Capability
- Supplier Development
- Product Assurance
- Phase Gate Process

**BiC QR = f(design, manf+supply)**

- Supplier Process
- Supplier OBA/ORT
- Incoming QC
- FOF SPC
- Cert SPC
- OBA/ODT/ORT
- WIP & Outbound
- Int & Field Monitoring

Developing projects in each of these

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# Team and Initiative timeline

1. Steering Council:
  - Lead: Sai Varanasi
  - PLM: Bob Griswold
  - Design: Dan Kuhl
  - Supply Chain: Dennis Omanoff
  - SQE: Levend Akkan
  - Manufacturing: KF Chong
  - Quality: Mike Crump
  
1. Timeline
  - 1. Identify team leads and finalize the strategy – May 30 2012 **DONE**
  - 2. Identify current projects, deliverables in each area – June 30 2012
  - 3. Identify new projects, goals and timelines – Q1 2012
  - 4. Track progress (metrics at each subsystem and overall progress) – July 2012 starts monthly report out

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Backup



# Retail RQC – proposal for review – Q4 Baseline

Ref #	Retail	Q4FY12 baseline data			Competitor Star Rating		
		Contact to Sales Ratio %	Star ratings Excursions	JDM Integration %	Seagate Target	Seagate Target	JDM
		Other elements to track and maintain visibility		Field ARR	Contact to Sales Ratio Max %	Star Rating	Integration Target Max
1	Simple Storage	Expansion Portable USB2	3.7 1.3%	99.7 1.37%	1.5	4	3000 tbd
2		Expansion Portable USB3	4 0.06%	99.7 1.11%	1.5	4	3000 tbd
3		Expansion Desk USB2	3.6 4.3%	1 99.8	1.5	4	3000 tbd
4		Expansion Desk USB3	0.3% N/A	99.8 4.63%	1.5	4	3000 tbd
5		GoFlex USB2	4.1 2.7%	99.8 1.70%	1.5	4	3000 tbd
6		GoFlex USB3	4.2 1.4%	99.8 3.40%	1.5	4	3000 tbd
7		GoFlex Desk USB2	3.4 1.9%	99.9 2.26%	1.5	4	3000 tbd
8		GoFlex Desk USB3	3.6 21.0%	99.9 8.89%	1.5	4	3000 tbd
9		GoFlex Desk USB2 for Mac	3.7 4.7%	100 18.42%	1.5	4	3000 tbd
10		GoFlex Slim	4.4 1.5%	100 1.61%	1.5	4	3000 tbd
11		GoFlex Slim for Mac	N/A 0.8%	100 2.33%	1.5	4	3000 tbd
12		GoFlex Turbo	N/A 3.6%	100 4.17%	1.5	4	3000 tbd
13	Connected Storage	GoFlex Cinema	N/A 0.6%	99.9 27.4%	3.5	3000 tbd	N/A
14		GoFlex Home	N/A 9.6%	100 5.50%	8	3.5	3000 tbd
15		GoFlex Satellite	3.5 2.1	99.3 No Build	8	3.5	3000 tbd
16	Small medium Business	Black Armor NAS 110	56.7% Black Armor NAS 220	No Build 3.2	100 100	3.5 3.5	3000 tbd
17		Black Armor NAS 440	43.1% 18.7%	No Build 2.6	100 100	3.5 3.5	3000 tbd
18				No Build 1	100	6.79% TBD	100
		% BiC	50%	43%	89%	93%	TBD
		% BiC Composite	62%				

# Market Segment Executive Summary

MC RQC BC RQC DT RQC CE RQC NS RQC  
[REDACTED] [REDACTED] [REDACTED] [REDACTED]

## Mission Critical

- **Compass SSO** being lifted on customer-by-customer basis as they approve shipments of TX-09 FIPG units.

- **Eagle, Hornet and YellowJacket** completed 1000hr S\_ORT with no article failures reported with affected 4302 material.

## Business Critical

- In general, Muskie+, MantaRay and Airwalker continue to perform at BiC level at integration.
- Airwalker with affected 4302 (3M) FIPG material (red) now past 600 hours SORT with no sign of article related failures or outliers. Yellow material at 400 hours with no fails. Based on this, all AW "Yellow" material has been released to ship. All major customers have approved resumption of shipments except for [REDACTED]

## Desktop

- Overall Pharaoh continues to perform well, and is BiC at virtually all customers.
- [REDACTED] (in ORT population) are pre-corrective action drives (prior to WW42), however recently also seeing failures based on stack up tolerance between DSP and MBA. Providing an updated AFR projection based upon corrective action taken post-WW42, as well as further actions being implemented to alleviate customers concerns.

## Consumer Electronics

- Overall Hepburn continues to perform well, and is BiC at virtually all customers.

## Notebook

- [REDACTED] [REDACTED] [REDACTED] Still working internally to determine how we can prevent these types of post-launch FW issues going forward.
- Septa 15/Julius impacted by C732 capacity short to base deck. [REDACTED] Analysis has identified zero stack-up tolerance, and issue is seen primarily on Brilliant baseplates . All customers have been notified. Majority of customers have accepted the dot seal containment, [REDACTED]. Rework returns from customers have been reduced from ~700K units down to 168K.

## RQC

- [REDACTED] BC Airwalker impact TBD.